

Legislative Fiscal Bureau

Fiscal Note

HF 611 - Transgenic Grain Crop Utilization Fund (LSB 3119 HV)

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Fiscal Note Version — New

Description

The Bill establishes the Precision-Use Crop Utilization Financial Assistance Program to assist businesses involved in processing precision-use crops, and specifically grains from such crops. The Bill also establishes the Precision-Use Crop Financial Assistance Utilization Fund to support the Program but does not provide for a specific appropriation. The Precision-Use Crop Utilization Financial Assistance Program and the Fund are administered by the Department of Economic Development and are based on the Value-added Agricultural Products and Processes Financial Assistance Program (VAAPFAP) and its related Fund created in Sections 15E.111 and 15E.112 Code of Iowa.

Assumptions

1. The Department of Economic Development would require no additional staff to operate the Precision-Use Crop Utilization Financial Assistance Program. The Program would function as an extension of the current Value-added Agricultural Products and Processes Financial Assistance Program (VAAPFAP).
2. The Bill specifies the Department may provide financial assistance to eligible persons upon review and evaluation of the person's application.
3. Financial assistance would only be awarded provided funding was available.
4. Since no specific appropriation has been made in the proposed legislation, the only current source of funding would be moneys allocated to the Value-added Agricultural Products and Processes Financial Assistance Program (VAAPFAP) Fund.
5. Funding allocated from the Value-added Agricultural Products and Processes Financial Assistance Program (VAAPFAP) Fund to the Precision-Use Crop Utilization Financial Assistance Fund would be at the discretion of the Department and would result in an opportunity cost between projects.
6. The Department anticipates, at this time, a low number of applications. As technology develops more applications would be anticipated.
7. The Precision-Use Crop Utilization Financial Assistance Fund would be subject to a State audit. This would add to the duties of the Auditor of State's Office. The cost to perform the additional audit is not expected to be significant and would be paid out of the Fund.
8. The Bill specifies the Regents institutions and Community Colleges are to cooperate in assisting facilities receiving financial assistance under the Precision-Use Crop Utilization Financial Assistance Program. It does not specify what level or type of assistance is to be provided. The cost of this provision is not expected to be significant as the Department of Economic Development anticipates a low number of applicants applying for assistance initially. However, the cost to the Regents and Community Colleges cannot be determined.

Fiscal Impact

The cost of HF 611 cannot be determined due to lack of sufficient information, however, the fiscal impact is not expected to be significant. As more Iowa companies engage in biotechnology, the number of applicants applying for assistance is expected to increase, resulting in increased administrative costs.

Sources

Iowa Department of Economic Development
Iowa Board of Regents
Auditor of State

/s/ Dennis C Prouty

March 26, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
